

NEW REVENUE DISCUSSION

BRIEFING PAPER

Prepared for the
January 2005 Transportation Commission Meeting

Prepared by: Amy Arnis, Deputy Director, Strategic Planning and Programming
Reviewed and Approved by: Paula Hammond, Chief of Staff

PURPOSE

At the December 2004 Transportation Commission meeting, the Commission discussed several options for raising and spending new revenue for transportation. Commissioners directed staff to further develop for their consideration a 10-year, revenue and expenditure recommendation to the 2005 Legislature of approximately \$11.7 billion. The purpose of this item is to present the proposed recommendation for Commission approval.

ACTION/OUTCOME

We anticipate the Commission will reach agreement on a proposed new revenue and expenditure recommendation to submit to the Legislature in January 2005.

BACKGROUND

At the November and December 2004 Commission meetings, WSDOT staff provided a summary of potential transportation revenue sources to the Commission. The Commission also received a summary of implementation considerations on many of the revenue sources. For instance, the Commission was reminded that there is no definitive answer on whether the 18th Amendment to the Washington Constitution applies to a sales tax on gas. Ultimately, the permitted uses for a sales tax on gas would depend on the applicable statutory language, the ultimate implementation of the tax and any legal decisions on the issue.

Several revenue raising scenarios and illustrative expenditure plans showing potential amounts for public transportation, cities, counties, and state transportation agencies that assist cities and counties, tribes, and WSDOT operating and capital programs were provided for discussion. Commissioners also received comments from representative of the cities, counties and transit agencies.

DISCUSSION

At the conclusion of the December 2004 meeting, the Commission directed staff to develop a proposed recommendation to the Legislature. The Commission recognized the importance of examining new sources of revenue rather than only considering increases in existing sources. The Commission also stated that furthering the examination of tolls must be a critical piece of any discussion regarding transportation revenue and funding. The Commission requested that the potential revenue raising sources be communicated as “options” with the recognition that a range of choices could be made to attain a given level funding. The Commission directed staff to further develop program and project information on an expenditure plan at roughly \$11.7 billion over ten years (the \$11.7 billion level was comprised of approximately \$11.4 billion in new state funds and \$300 million in federal funds that had not yet been programmed or planned to be program). The proposed recommendation to the Legislature reflecting this direction is attached.

RECOMMENDATION

Approve the new revenue and expenditure recommendation for submission to the 2005 Legislature.

For further information, contact: Paula Hammond at 360-705-7027 or Amy Arnis at 360-705-7525.